

19____ Nonresident Withholding Installment Sale Agreement

597-C

Attach this form to the back of Form 597-A.

Part I To be completed for an installment sale.

Name of transferor/seller	Name of transferee/buyer	
Address of California real estate being sold		Basis of California real estate being sold
Address or location of replacement real estate		

Transferor/Seller Agreement

As a condition to allow a modification to the withholding requirements under California Revenue and Taxation Code (R&TC) Section 18662, the transferor/seller agrees to do the following:

1. file California tax returns for the year of sale and any year in which principal payments are received on the note;
2. make estimated tax payments that reflect the tax due on principal payments received; and
3. notify the Franchise Tax Board (FTB), Withhold at Source Unit, of any final payment or disposition of the note.

If the transferor/seller does not comply with the conditions of this agreement, the FTB has the authority to issue assessments, (including penalties and interest) and to enforce collection through, but not limited to, the use of orders to withhold, liens, etc., on the note held by the buyer or any other funds identified by the FTB.

Signature of transferor/seller	Date	Social security number or federal employer identification number (FEIN)
Signature of transferor/seller	Date	Social security number or federal employer identification number (FEIN)

General Information**When and Where to File This Form**

Form 597-C, Nonresident Withholding Installment Sale Agreement, should be included with Form 597-A, Nonresident Withholding Waiver Request for Real Estate Sales, when a seller requests a reduced withholding amount or waiver, based on the fact that the transfer is intended to be an installment sale or an exchange transaction with installment provisions.

The appropriate agreement for the type of transaction (installment sale on Side 1 or exchange with an installment provision on Side 2) must be completed and signed by the transferor/seller, and the accommodator/intermediary or entity in control of the funds, where applicable.

If there is more than one transferor/seller, each transferor/seller must sign the agreement.

A copy of the installment note must be included with your request to expedite processing.

Send completed Form 597-A, Form 597-C, a copy of the installment note and any questions to:

**WITHHOLD AT SOURCE UNIT
FRANCHISE TAX BOARD
PO BOX 651
SACRAMENTO CA 95812-0651
TELEPHONE (916) 845-4900
FAX (916) 845-4831**

Part II To be completed for an Internal Revenue Code (IRC) Section 1031 exchange with an installment provision.

Name of transferor/seller

Name of transferee/buyer

Name and address of accommodator/intermediary

Daytime telephone number of
accommodator/intermediary

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Address of California real estate being sold

Basis of California real estate being sold

Address or location of replacement real estate

Transferor/Seller and Accommodator and/or Intermediary Agreement

The undersigned transferor/seller of the California real estate listed above hereby certifies, under penalty of perjury, that it is the intent of the transferor to treat the transfer of this property as the first leg in a tax-free exchange as defined under IRC Section 1031.

The parties agree that:

1. if the exchange takes place, and the transferor (or beneficiary) receives cash or cash equivalent as non-like kind property in the exchange, and such cash or cash equivalent exceeds \$1,500, then the amount required to be withheld will be 7 percent of any cash or cash equivalent received by the transferor (or beneficiary) not to exceed $3\frac{1}{3}$ percent of the total sales price; or
2. if the exchange does not take place, then the amount required to be withheld will be $3\frac{1}{3}$ percent of the total sales price of the property.

The transferor/seller further agrees that a California tax return will be filed reporting the transaction, and that the FTB, Withhold at Source Unit will be notified within 10 days after expiration of the 180 day statutory period applicable to deferred like-kind exchanges if the exchange does not take place.

The transferor/seller further agrees to do the following:

1. file California tax returns for the year of sale and any year in which principal payments are received on the note;
2. make estimated tax payments that reflect the tax due on principal payments received; and
3. notify the FTB, Withhold at Source Unit, of any final payment or disposition of the note.

The accommodator/intermediary or other entity in control of the funds agrees to be liable for withholding the correct amount specified above. The accommodator or other entity in control of the funds agrees to remit all withheld amounts to the FTB using Copy A of Form 597, Nonresident Withholding Tax Statement for Real Estate Sales. Get Form 597 for information on remitting the amount withheld.

Signature of transferor/seller

Date

Social security number or federal employer
identification number (FEIN)

Signature of transferor/seller

Date

Social security number or federal employer
identification number (FEIN)

Signature of accommodator/intermediary

Date

Title